District I

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MAR 2 9 2019

Form C-102

Energy, Minerals & Natural Resources Department OLL CONSERVATION DIVISION

Revised August 1, 2011

OIL CONSERVATION DIVISION

District Office

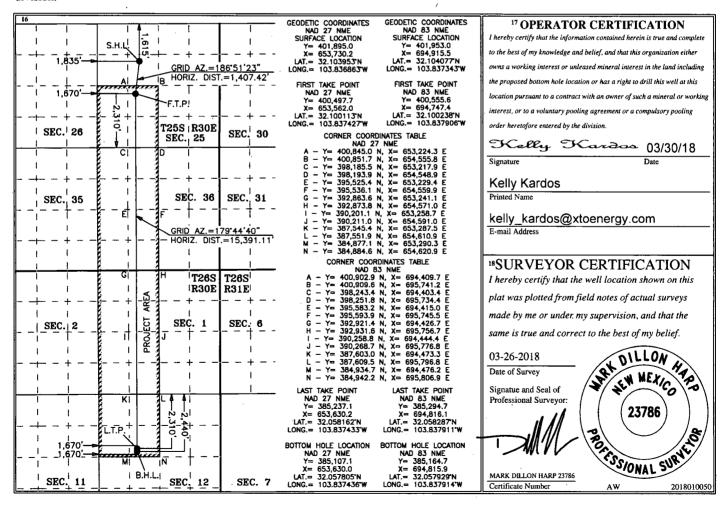
1220 South St. Francis Dr. Santa Fe, NM 87505

☐ AMENDED REPORT

## WELL LOCATION AND ACREAGE DEDICATION PLAT

			M LLL L	CATIO	IN AND ACK	EAGE DEDIC	ATIONTLA	T		
1 API Number				<sup>2</sup> Pool Code	;	<sup>3</sup> Pool Name				
30-015-45		585	3	98220 PURPLE SAGE; WOLFCAMP						
<sup>4</sup> Property Code		<sup>5</sup> Property Name							<sup>6</sup> Well Number	
325339		POKER LAKE UNIT 25 BD							123H	
7 OGRID No.			<sup>8</sup> Operator Name						<sup>9</sup> Elevation	
260737		XTO PERMIAN OPERATING, LLC.							3,345'	
373075 10 Surface Location										
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/We	est line Count	
F	25	25 S	30 E		1,615	NORTH	1,835	WEST	EDDY	
<sup>11</sup> Bottom Hole Location If Different From Surface										
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/We	est line Count	
F	12	26 S	30 E		2,440	NORTH	1,670	WEST	EDDY	
12 Dedicated Acres	r Infill	<sup>4</sup> Consolidation	Code 15 Or	der No.	•					
960	1									

No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.



Rw 4-12-19

## **Gathering System and Pipeline Notification**

Well(s) will be connected to a production facility after flowback operations are complete, if gas transporter system is in place. The gas produced from production facility is dedicated to <u>Lucid</u> and will be connected to <u>Lucid</u> low/high pressure gathering system located in <u>Eddy</u> County, New Mexico. It will require <u>847.85'</u> of pipeline to connect the facility to low/high pressure gathering system. <u>BOPCO</u> provides (periodically) to <u>Lucid</u> a drilling, completion and estimated first production date for wells that are scheduled to be drilled in the foreseeable future. In addition, <u>BOPCO</u> and <u>Lucid</u> have periodic conference calls to discuss changes to drilling and completion schedules. Gas from these wells will be processed at <u>Red Hills Plant</u>, <u>Sec. 13</u>, <u>T24S</u>, <u>R33E</u> or <u>Roadrunner</u>, <u>Sec. 32</u>, <u>T32S</u>, <u>R28E</u>, <u>Eddy County</u>. The actual flow of the gas will be based on compression operating parameters and gathering system pressures.

## Flowback Strategy

After the fracture treatment/completion operations, well(s) will be produced to temporary production tanks and gas will be flared or vented. During flowback, the fluids and sand content will be monitored. When the produced fluids contain minimal sand, the wells will be turned to production facilities. Gas sales should start as soon as the wells start flowing through the production facilities, unless there are operational issues on <u>Lucid</u> system at that time. Based on current information, it is <u>BOPCO's</u> belief the system can take this gas upon completion of the well(s).

Safety requirements during cleanout operations from the use of underbalanced air cleanout systems may necessitate that sand and non-pipeline quality gas be vented and/or flared rather than sold on a temporary basis.

## Alternatives to Reduce Flaring

Below are alternatives considered from a conceptual standpoint to reduce the amount of gas flared.

- Power Generation On lease
  - o Only a portion of gas is consumed operating the generator, remainder of gas will be flared
- Compressed Natural Gas On lease
  - o Gas flared would be minimal, but might be uneconomical to operate when gas volume declines
- NGL Removal On lease
  - o Plants are expensive, residue gas is still flared, and uneconomical to operate when gas volume declines